

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Peter Jensen

SUBJECT: LEASE AGREEMENT FOR
INDEPENDENT POLICE AUDITOR

DATE: July 20, 2005

Approved

Kay Winer

Date

7/25/05

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Approval of a lease agreement with Cornerstone Properties for 3,013 square feet of office space located at 2 North Second Street intended for the Independent Police Auditor at a cost of \$4,519.50 per month during the first year of the lease, \$4,670.15 per month during the second year, \$4,820.80 per month during the third year, and \$4,971.45 during the fourth and fifth years of the lease's five year term.

BACKGROUND

The Independent Police Auditor has occupied an office in the basement or plaza level of 2 North Second Street since August 2000.

It has been determined that the Independent Police Auditor will not be moved into the New City Hall. The current lease term expired on July 31, 2005. However, the provisions of the lease agreement allow it to continue in "holdover" status without any changes to the previous requirements pending approval of a new agreement.

ANALYSIS

The decision not to move the Office of the Independent Police Auditor (IPA) into the New City Hall was made primarily to reassure residents that complaints and allegations against police officers would be handled confidentially and free from influence from any other part of the City organization. As such, the IPA offices need to provide privacy while still offering easy access.

The current site at 2 North Second Street offers both of these. This downtown location provides excellent access to public transportation, as well as plentiful on-street and off-street parking. The site's location on the basement level can easily be accessed by visitors but has limited foot traffic, so complaints can be registered in privacy. The site also allows for the Independent Police Auditor's Citizen Group to have access to nearly 800 square feet of conference room space for meetings and hearings.

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The key features of the recommended lease include:

- A reduction of nearly 50% in the current rent due to changes in the commercial real estate market.
- Annual rent increases of 3 1/3 % in years two, three and four of the lease, with no increase in year five.
- New tenant improvements of \$6,500, including a half-height security door in the lobby area and the construction of an additional office in the suite.
- Language allowing the City to cancel the agreement upon 90 days written notice.

OUTCOME

Approval of this agreement will provide space for the continued operation of the Independent Police Auditor's Office for an additional five years.

PUBLIC OUTREACH

Not applicable.

COORDINATION

This item has been coordinated with the Offices of the Independent Police Auditor and the City Manager. The City Attorney's Office has reviewed and approved the document as to form.

COST IMPLICATIONS

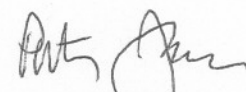
The total amount of rent over the 5-year term of this agreement is \$287,436.60. This item complies with the Mayor's Budget Strategy Control Principle 4 through the reduction of the contract rent. The total rent represents a savings of more than \$270,000 as compared to the provisions of the current lease agreement.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. For Contract	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
001	0592	NP/EQUIP General Services	000750	20,981,226	287,436.60 over 5 years	05-06 proposed page VIII-68	N/A

CEQA

Not a Project



PETER JENSEN
Interim Director of General Services